

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Maughan on April 26th at 12 noon in the Cypress Room of Island Hospital.

Those present were Commissioners Chip Bogosian, MD, Paul Maughan, PhD, Lynne Lang, PhD, Jan Iversen and Warren Tessler. Also present were Vince Oliver, CEO; Elise Cutter, CFO; Denise Jones, RN, CPCE; Bob Prins, MD, Chief Medical Officer; Jason Hogge, MD, Chief of Staff; Carolyn Pape, CHRO; and Kim Graf, Executive Assistant.

Public Comments:

Don Glickman, resident of Anacortes, inquired on the status of urology services at Island Hospital and requested to meet with Vince Oliver to further discuss. Kim Graf will coordinate a discussion.

2017 Audit Report:

Eric Volk, WipFli, presented to the Board of Commissioners the Draft Island Hospital 2017 Audit Report. Eric remarked that he anticipates the Audit Report will be finalized in June 2018.

Eric reported that Island Hospital had a clean draft audit and that no significant adjustments will need to be made after the State of Washington Accounting Standards Update has been completed. Eric highlighted the financial analysis, provided an accounting update, a health care industry update and discussed reimbursement topics.

Eric commended the IH Finance Department for their efforts to produce clean, well-prepared audit.

Review of Action Items Completed:

- Commissioners provided EMR Messaging cards

CONSENT AGENDA:

After review, Commissioner Lang made a motion to approve the Consent Agenda. Commissioner Bogosian seconded the motion. Commissioners, Maughan, Tessler, Lang, Bogosian and Iversen all voted aye and the motion carried.

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries: Dr. Hogge reported:

Department of Surgery: There was review and discussion of the Surgical Department Assessment and expanding services within the Surgery Department.

Order Set review was completed for the new Meditech Expense System.

The new CMS and DNV outpatient discharge protocol was reviewed. There will be a revision to the IH discharge protocol to reflect the new requirements.

QA Committee: The audits and appeals were reviewed.

There was an update on the delinquent records noting that significant improvement has been made to have charts completed in a timely manner.

There was a review of the Mortality and Readmission Reports from Q3 2017.

Credentials:

After review, Commissioner Bogosian made a motion to approve the Credentials as presented. Commissioner Iversen seconded the motion. Commissioners Maughan, Tessler, Bogosian, Lang and Iversen all voted aye and the motion carried.

Board Quality & Management Review:

Commission Iversen remarked on the new format for conducting the bi-monthly Board Quality & Management Review Meeting noting the meeting structure and content is clearly defined and very informative.

Anita reviewed and discussed action plans for the following:

SR.1 Threats to patient and employee safety: Inpatient Falls, Employee Safety and Safe Patient Handling.

SR.2 Medication Therapy/Medication Use: Adverse Drug Events were reviewed and critical drug shortages were discussed.

There was a review of the 2018 DNV Survey Progress Report noting that the report for all NC-1 findings is due in May.

Anita shared that Rebekah Dietz, RN, Employee Health Coordinator, has been selected to serve on the WSHA Workforce Safety Advisory Taskforce.

FINANCE UPDATE:

Elise Cutter reported on the March 2018 financial statements with the Committee and highlighted the following as significant items:

- ◆ *Patient Volumes* – Inpatient admissions for March 2018 were 222 against a budget of 278 and 256 in 2017. The average daily census for March 2018 was 21.5 patients compared to 26.8 budgeted and 25.2 for 2017. Emergency Room visits year to date 2018 were 4.3% more than budgeted and 7.2% more than 2017. The total number of outpatient visits year to date is 7% less than budget and 1.1% more than in 2017, physician clinic visits were 13.7% below budget and 8.6% more than in 2017. Year to date rural health clinic visits were 10.6% below budget and 2.5% less than in 2017.

- ◆ Balance Sheet – The hospital collected \$8.6 million in cash and paid out \$8 million which resulted in day's cash on hand of 115.1 up from 112.3 at the end of February. The days in Accounts Receivable at the end of March was 36.5 down from 38.2 in February, and below the target of 40 days. The current ratio decreased to 1.65 from 1.68 in February.
- ◆ Net Revenue – Net revenue for March 2018 was \$7.8 million with an actual collection rate of 39.5% which was lower than the budgeted 40.2% and less than prior year of 40.4% due to the higher percentage of outpatient services. We had 38 deliveries in March 2018 compared to 40 in 2017. Year to date Bad Debt is \$74,000 above budget for 2018 and year to date Financial Assistance is \$22,000 above 2017.
- ◆ Operating expenses – Total year to date operating expenses are 1.2% below budget and 2.1% more than the prior year. Categories of significant overage are drug costs and supplies related to surgery. The total number of FTE's for 2018 is 555 which is under the budget of 565 and 20 less than 2017. The Hospital recorded a net operating loss year to date of \$1,513,000 versus the budgeted operating loss of \$102,000. The excess income year to date is \$81,000 or .4% of net revenue versus budgeted excess gain of \$858,000 or 3.5% of net revenue.

Commissioner Maughan requested that the SLT present the Board a report in June or early July outlining strategic plans and solutions in the event of continued low volumes across hospital service lines.

Farewell:

Commissioner Maughan presented Dr. Backman with a plaque which recognized his thirty-seven (37) years of service as a primary care physician to our community. Dr. Backman thanked the Commissioners and Leadership Team for their support and for continuing to provide our community with an exceptional hospital and quality care. Dr. Backman will be missed by the entire community.

Administration Update:

CMO: Dr. Prins remarked on the continued low volumes trends that Island Hospital has been experiencing and commented on nationwide volume trends.

Dr. Prins provided an update on locum coverage in Island Surgeons and an update on urology services.

CHRO: Carolyn Pape commented on the PEBB Healthcare and Retirement Plans which are offered to Island Hospital Employees, noted that the Annual Employee Evaluation completion rate is at 87% and passed a Linked In recruitment posting for Island Hospital.

Carolyn shared Island Hospital's participation with the UW Healthcare Alternative Spring Break Program. This program provides job shadowing opportunities to students who are exploring careers within the medical field.

Carolyn was pleased to announce that nine (9) Island Hospital CNAs have completed an RN Program and briefly remarked on the Island Hospital Employee Recognition Banquet.

Carolyn announced that WSNA contract negotiations have been completed. Carolyn anticipates bringing the contract to the Board for approval in May.

Carolyn announced that Jerry & Jan Barto have gifted the Hospital a generous donation in Dick Iversen's name to establish the Richard Iversen Memorial Scholarship Fund.

CPCE:

Denise provided an update on recruitment efforts for the Director of Acute Care/ICU and Director of Surgery Department.

Denise shared a patient experience from the Emergency and Acute Care Departments.

CEO:

Vince provided an update on recruitment efforts for family practice providers, a general surgeon and OB/GYN. Vince was pleased to share that Dr. James Abbey, an internist, has accepted the Island Hospital and will join the Medical Staff later in the year and that Island Eye will add another ophthalmologist to their team in early summer.

Vince provided an update on provider staffing within the Oncology Department, remarked on revenue generating opportunities within the Lab and noted that Island Hospital anticipates finalizing a Hospitalist Agreement in the near future.

NEW BUSINESS:**Commissioners Calendar:**

The Board accepted the May Board Calendar as presented.

MIN-NS:

Vince provided an update on MIN-NS noting the Executive Directors pending retirement in June and an upcoming Board Meeting where the sustainability of MIN-NS will be discussed.

WSHA AWPFD Rural Hospital Annual Conference:

After discussion Commissioners Iversen, Lang and Bogosian have decided not to attend the conference in June.

Action Items:

Strategic Update

ADJOURNMENT:

There being no further business, Commissioner Maughan called for the meeting to be adjourned at 1:56 p.m.

Paul Maughan, PhD, President/Commissioner

Warren Tessler Secretary/Commissioner

Jan Iversen, Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner